

REPLACEMENT HOUSING PLAN

**THE PASEO AND RELIGIOUS CENTERS  
REDEVELOPMENT PROJECTS**

**INTRODUCTION**

As part of the redevelopment of the College Community Redevelopment Project Area, the Redevelopment Agency of the City of San Diego [Agency] has undertaken the implementation of two related projects, The Paseo Project [Paseo] and the Religious Centers Project [Religious Centers], collectively referred to as the Projects. The Agency is currently negotiating Disposition and Development Agreements [DDAs] for both projects with the San Diego State University Foundation [Foundation]. If DDAs are entered into and approved by the Agency Board and City Council, it would be proposed that certain acquisition and demolition activities occur as described below.

The Paseo is a mixed-use project with student housing, theater, religious center, offices and retail development, as well as related underground parking. The Paseo site is located adjacent to SDSU, bisected by College Avenue, and bounded by SDSU to the north and east, Campanile Drive to the west, and Montezuma Road to the south. The Paseo will provide approximately 465 units of student housing within walking distance to the San Diego State University [SDSU] campus. It is proposed that up to twenty-five percent of the proposed beds will be available to very low-, low- and moderate-income students.

The Religious Centers would be located in two separate areas. One location is the five-parcel assemblage of approximately 46,973 square feet (1.08 acres) at the southwest corner of Lindo Paseo and Campanile Drive [Lindo Paseo Site]. The other location is a four-lot assemblage of approximately 36,000 square feet (.83 acres) at the northwest corner of Hardy Avenue and Campanile Drive [Hardy Avenue Site]. The Foundation proposes to develop the Lindo Paseo Site as free-standing, individual religious centers for the Latter-Day Saints Institute [LDS] and Hillel of San Diego. The Hardy Avenue Site is proposed for ground level religious center facilities for the Wesley Foundation (easterly three parcels) and Lutheran Center (western-most parcel), with three to four levels of student housing above.

Two sorority houses, three fraternity houses, and four religious centers would be demolished as a part of The Paseo and Religious Centers. There are no known covenants or restrictions on any of these chapter houses and religious centers with respect to affordable rents, nor is it known whether there are any low or moderate income occupants. Therefore, it has not been determined if the demolition of these chapter houses and religious centers would require the Agency to replace the units. In order to assure the completeness of this plan in accordance with applicable legal requirements, we assume for purposes of this plan that all occupants are persons or families of low and moderate income.

California State law requires that the Agency replace low and moderate-income housing units. California Health and Safety Code<sup>1</sup> section 33413 states:

(a) Whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low- and moderate-income housing market as part of a redevelopment project which is subject to a written agreement with the agency or where financial assistance has been provided by the agency, the agency shall, within four years of the destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed or constructed, for rental or sale to persons and families of low or moderate income, an equal number or replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction of the agency . . . When dwelling units are destroyed or removed on or after January 1, 2002, 100 percent of the replacement dwelling units shall be available at affordable housing cost to persons in the same or a lower income category (low, very low, or moderate), as the persons displaced from those destroyed or removed units.

This document constitutes the Replacement Housing Plan for the Paseo and Religious Centers and was prepared pursuant to Section 33413.5 which requires that a Replacement Housing Plan include: 1) the general location of the replacement housing to be rehabilitated, developed, or constructed; 2) an adequate means of financing such rehabilitation, development, or construction; 3) a finding that the replacement housing does not require the approval of the voters pursuant to article XXXIV of the California Constitution or that such approval has been obtained; 4) the number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation; and 5) the timetable for meeting the plan's relocation, rehabilitation, and replacement housing objectives.

## **REPLACEMENT HOUSING REQUIREMENTS**

### **1) GENERAL LOCATION OF REPLACEMENT HOUSING**

#### **a. Sorority and Fraternity Housing**

Two Sorority houses would be demolished and their chapters relocated. The Sigma Kappa Sorority currently located at 5804 Montezuma Road and the Alpha Chi Omega Sorority currently located at 5816 Montezuma Road would both be relocated in Fall 2006 to the Sorority Row Project.

Three Fraternity Houses would be demolished and their chapters relocated. Nu Alpha Kappa currently located at 5721 Lindo Paseo and Phi Kappa Theta currently located at 5121-41 Campanile Drive would both be relocated to sites in the Fraternity Designated Area. Sigma Phi

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<sup>1</sup> All statutory references are to the California Health and Safety Code unless otherwise specified.

Epsilon currently located at 5712 Hardy Avenue is proposed to be relocated to 5566 Lindo Paseo, a single family residence owned by the Foundation, or to another site within the Fraternity Designated Area.

b. Religious Centers

Four units housing Religious Centers would be destroyed. In October 1993, the Agency entered into a Participation Agreement [Participation Agreement] with California-Pacific Annual Conference of the United Methodist Church, Synod of Southern California and Hawaii Presbyterian Church, USA, United Jewish Federation of San Diego County, The Roman Catholic Bishop of San Diego, Lutheran Campus Council of San Diego, and Corporation of the President of the San Diego Stake of the Church of Jesus Christ of Latter-Day Saints, all referred to as Participants. The purpose of that Participation Agreement is to provide the procedures for the relocation and replacement of the facilities of each Participant within the Core Sub-Area of the College Community Redevelopment Project. The Agreement provides that the Agency and/or any Redeveloper agrees to negotiate diligently and in good faith to prepare a Relocation Agreement to be entered into between the Redeveloper and the respective Participant. Upon execution of the Paseo DDA by the Agency, the Foundation will be the Redeveloper under the terms of the Participation Agreement.

It is anticipated that the Lutheran Center currently located at 5863 Hardy Avenue will be relocated to 5706 Hardy Avenue, which is currently a parking lot. The Newman Center (Roman Catholic) currently located at 5843 Hardy Avenue will be relocated to leased space within The Paseo at the northeast corner of Campanile and Lindo Paseo. The Church of Jesus Christ of Latter-Day Saints currently located at 5821 Lindo Paseo will likely be relocated to three adjacent parcels located at 5721 and 5723 Lindo Paseo and 5118 Campanile Drive. The Wesley Foundation (United Methodist Church) currently located at 5716 Hardy will redevelop on their current site along with the parcels at 5710 and 5712 Hardy Avenue. Pursuant to the Participation Agreement, the Foundation, as the Redeveloper, will be working with each of these Religious Centers to prepare Relocation Agreements. For purposes of this plan, it is important to note that only two of the religious centers (the Lutheran Center and the Newman Center) currently have any residential component.

**Sororities:**

Sigma Kappa	5804 Montezuma	<b>Bedrooms:</b>	<b>9</b>	<b>Beds:</b>	<b>22</b>
Alpha Chi Omega	5816 Montezuma	<b>Bedrooms:</b>	<b>11</b>	<b>Beds:</b>	<b>34</b>

**Fraternities:**

Nu Alpha Kappa	5721 Lindo Paseo	<b>Bedrooms:</b>	<b>3</b>	<b>Beds:</b>	<b>11</b>
Phi Kappa Theta	5121-41 Campanile Dr.	<b>Bedrooms:</b>	<b>6</b>	<b>Beds:</b>	<b>18</b>
Sigma Phi Epsilon	5712 Hardy Ave	<b>Bedrooms:</b>	<b>12</b>	<b>Beds:</b>	<b>24</b>

**Religious Centers:**

Lutheran Center	5863 Hardy Ave	<b>Bedrooms:</b>	<b>2</b>	<b>Beds:</b>	<b>2</b>
Newman Center	5843-5855 Hardy Ave	<b>Bedrooms:</b>	<b>2</b>	<b>Beds:</b>	<b>2</b>

**Total**

<b>Bedrooms:</b>	<b>45</b>	<b>Beds:</b>	<b>113</b>
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## **2) MEANS OF FINANCING REPLACEMENT HOUSING**

### **a. Sorority and Fraternity Housing**

The anticipated sources of financing the Sorority and Fraternity Housing include the proceeds from the sale of the existing houses. Any additional funding would be provided for by the Sororities and Fraternities themselves.

### **b. Religious Centers**

The anticipated sources of financing the Religious Centers will be detailed in each of the Relocation Agreements entered into by the Religious Centers and the designated Redeveloper pursuant to the Participation Agreement.

## **3) CALIFORNIA CONSTITUTION ARTICLE XXXIV**

Article XXXIV of the California Constitution [Article XXXIV] requires that a majority of the voters approve, in an election, the development, construction or acquisition of a low rent housing project by any state public body. The Redevelopment Agency of the City of San Diego is a state public body as defined in Article XXXIV. In an election held on November 5, 2002, a majority of voters approved Proposition A which allowed for the development, construction and/or acquisition of up to 5,000 dwelling units on scattered sites for low-income persons including but not limited to low-income elderly or low-income disabled persons. The California Supreme Court held that ballot measures such as these comply with the requirements of Article XXXIV. According to staff at the San Diego Housing Commission, the number of low rent housing units in San Diego, as defined in Article XXXIV and Sections 37000 through 37002, does not exceed the number approved by the voters. Therefore, this replacement housing complies with Article XXXIV.

## **4) NUMBER OF REPLACEMENT HOUSING UNITS**

The housing component of the Paseo will consist of approximately 465 units of student residential dwellings providing an estimated 1,295 beds of student housing. Up to 25% of the apartment beds in the Paseo (up to 324 beds) will be restricted for rental to students of very low, low and moderate income for fifty-five years pursuant to a recorded Agreement Affecting Real Property executed by the Agency and the Foundation. The Foundation will be responsible for monitoring the replacement housing for the Paseo to ensure that the rents for the very low, low and moderate-income beds are in compliance with the Agreement Affecting Real Property.

The Religious Centers project proposes to add approximately 61 additional rental units representing housing for an estimated 180 persons. At this time, it has not been determined how many of these units will be restricted to affordable rents.

**5) TIMETABLE FOR MEETING RELOCATION OBJECTIVES AND  
CONSTRUCTION OF REPLACEMENT HOUSING**

In order to comply with Section 33413(a), the Agency must construct or develop or cause the construction or development of the replacement units within four years of the destruction or removal of the dwelling units housing persons and families of low or moderate income.

Demolition is scheduled to begin in the fourth quarter of 2005. The replacement housing units at the Paseo are projected to be ready to occupy by fall 2008. Therefore, the Agency will accomplish the construction of the replacement units by the developer well within the four year deadline.